

Agency Name	Department of Health and Human Services
Audit Name	Internal Control Review Medicaid Eligibility
Audit Period	October 2016
Status Report Date	July 2019

Summary of Audit Observations/Findings					
Number	Observation Title	Status [place X in status column]			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
1	Review Effectiveness of Monitoring Controls				X
2	Implement Required Asset Verification System Control				X
3	Redesign Controls to Include the Efficient and Effective utilization of Certain Available Information				X
4	Reemphasize Monitoring Controls for the Timeliness of Medicaid Eligibility Denial or Termination Actions				X
5	Establish Controls for Referral of Cases to the Department's Special Investigations Unit				X

Observation 1: Review Effectiveness of Monitoring Controls

Summary of Finding: [add brief sentence or 2 describing finding]: The Department has not established controls to reasonably ensure that Medicaid case determinations are made only after all required information is obtained and considered.

Current Status: Resolved

Following the audit, the Department established policies and procedures relating to the Case Review Process. The Department also developed and is utilizing an updated Case Review Guide that was reviewed and accepted by the Department's Quality Control Team within the Bureau of Integrity and Improvement.

New HEIGHTS created enhancements to the Case Review Database and Error Prone Profiling Subsystem that include more specific data elements to the MAGI (Modified Adjusted Gross Income) program. New HEIGHTS also improved the profile proficiency reporting features to provide application dates and number of days pending on cases that need reviews, which assists the Department to prioritize.

Observation 2: [title]; Implement required Asset Verification System Control

Summary of Finding: [add brief sentence or 2 describing finding]: The Department does not currently have an approved Asset Verification System (AVS) control in place for determining and redetermining an individual's eligibility for Medicaid assistance program.

Current Status: Resolved

The State currently has an Asset Verification System in September 2017.

Observation 3: [title]: Redesign Controls to Include the Efficient and Effective Utilization of Certain Available Information

Summary of Finding: [add brief sentence or 2 describing finding]: the current design of the Department's Medicaid eligibility controls do not include the efficient and effective utilization of certain available information to promptly redetermine eligibility whenever it receives information about a change in a beneficiary's circumstances that may affect eligibility.

Current Status: Resolved

The Department is operating within its legal authority and designs its controls accordingly. The current verification process has been approved by the Center for Medicare & Medicaid (CMS) as being in complete compliance with federal requirements.

Observation 4: [title]: Reemphasize Monitoring Controls for the Timeliness of Medicaid Eligibility denial or Termination Action

Summary of Finding: [add brief sentence or 2 describing finding]: The Department's monitoring controls were not operating as designed to identify and respond to untimely processing of Medicaid eligibility denial or termination actions.

Current Status: Resolved

There is a systematic way to monitor the timeliness of Medicaid eligibility denial and termination process actions within the New HEIGHTS Eligibility System and Staff have available to them a system dashboard to monitor status.

Observation 5: Establish Controls for Referral of Cases to the Department's Special Investigations Unit

Summary of Finding: The Department has not established properly designed controls to reasonably ensure that certain denial and termination actions that have increased potential for the payment of ineligible claims are appropriately recognized, determined, and referred to the Department's Special Investigations Unit (SIU) for review and possible action.

Current Status: Resolved

The Special Investigations Unit (SIU), within the Bureau of Integrity and Improvement, maintains a guidance document for eligibility staff and provides training on when to do referrals for fraud and recovery. This document originally provided guidance on non-Medicaid and Food Stamp programs, but has been revised to include Medicaid programs. In addition, SIU conducted initial education sessions with staff regarding Medicaid referrals and provides ongoing orientation for new staff. The revised guide is available for staff to access.